Global Economic Conditions’ Effects on the Defence Industry

By Marc Whittingham, President, Canadian Commercial Corporation
Profile of CCC

- CCC is Canada’s international contracting and procurement agency
- Facilitate trade between Canadian exporters and foreign governments
- Two main sectors of focus:
  - Defence
  - Emerging & Developing Markets
- Government-to Government Transactions:
  - Prime Contractor Service
  - Procurement Service
- CCC is Canada’s Foreign Military Sales Organization
- Official contracting intermediary for over $1.7 billion in defence goods and services in 2008-09
- Key relationship with U.S. DoD
• Global Defence Trends
  ➢ Governments
    ➢ Delaying capital projects
    ➢ Re-examining defence spending
    ➢ Re-assessing military budgets
    ➢ Developing new defence strategies
  ➢ Defence Firms
    ➢ Industry consolidation through acquisitions
    ➢ Shifting attention to civilian markets
    ➢ Firms specializing in repair and overhaul continue to prosper
  ➢ Protectionism
    ➢ Governments’ economic and security concerns are leading to protectionist-type outcomes in the global defence industry
The Way Forward

• Government Collaboration and Cooperation
  ➢ Increased integration with allied countries
  ➢ Joint procurement opportunities
  ➢ NATO
    • Like-minded nations collaborating to ensure common security concerns are met

• Government Support
  ➢ Interdepartmental Support Systems for industry
    ➢ i.e. CCC, DFAIT, EDC, Industry Canada
  ➢ Investment in Industry
  ➢ Policy frameworks that support Industry (i.e. IRB)
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